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# Spotlight

## ON FOREIGN MARKETING

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TO U.S. AGRICULTURAL ATTACHÉS AND FAS STAFF MEMBERS

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July 11, 1960

FEED GRAIN EXPORTS WILL BE PUSHED BY THE NEWLY ORGANIZED U. S. FEED GRAIN COUNCIL. Promotional activity, which has been handled up to now by the Grain Sorghum Producers Association, will be taken over by the new group. Details on the formation of the Council officers and background information on the prospects for exports of U. S. feed grains are contained in an attached supplement.



Future plans for a cooperative market development program for U. S. feed grains were discussed in FAS on June 29, the day the Council elected board members and officers. Standing, L to R, Nelson Urban, 2nd vice president; John J. McCracken, marketing specialist, G&F Division; D.G. Nelson, executive director. Seated, L to R, Walter W. Goepfinger, president; Patrick M. O'Leary, Assistant Administrator, Market Development and Programs, and R. G. Peeler, 1st vice president.

VOLUME OF U. S. AGRICULTURAL EXPORTS SET NEW RECORD for the 1960 fiscal year that ended on June 30. Value of exports is expected to equal \$4.5 billion. This would be second to the record-breaking \$4.7 billion established in F.Y. '57.

Dollar sales picked up considerable momentum and the total ended up second highest in history. Over 70 percent of export sales, or \$3.2 billion, went for cash.

Most commodities made important gains. Setting new records were feedgrains, soybeans, protein meal, poultry meat, tallow, and cottonseed oil and soybean oil combined. Rice exports were second highest in history, and lard was second largest since World War II. Cotton exports doubled over the 1959 fiscal year and were the second largest in over a quarter of a century.

Wheat exports of over 510 million bushels made a substantial gain over the 1959 high level of 443 million bushel and were the second largest in history. When the final figures are in it appears that F.Y. 1960 exports will equal about half of the total '59 crop.

Three commodities: tobacco, dairy products and rye, dipped below the F.Y. '59 levels.



ALL-COTTON EXHIBIT IN BARCELONA WINS THREE AWARDS. For the first time in the 28-year history of the International Samples Fair in Barcelona a single country walked off with all top honors: best designed building, best design exhibit, and the best management. A. James Martin, exhibit manager, International Trade Fairs Branch, was on hand to receive the honors. Twenty-five other countries had exhibits at the fair.

For more on the subject of cotton promotion, read the special supplement on T.W.L. (Tillie) Bailey's "Bag of Tricks" in the attached supplement.

"CLEAN OUT" STATEMENTS FOR EXPORT WHEAT CERTIFICATES were authorized by the Department beginning June 20. Grade certificates will show the amount of "clean out"--material not generally suitable for milling.

Certificates will show either: (1) percentage of dockage and foreign material in combination; or (2) percentage of dockage, foreign material and shrunken and broken kernels in combination; or (3) percentage of dockage and foreign material in combination and percentage of shrunken and broken kernels in separate statements. These certificates will be issued by inspectors licensed under the U. S. Grain Standards Act at the request of applicants on export shipments which are uniformly loaded as "clean out" items.

The announcement was published in the Federal Register on June 17.

U. S. CIGARETTE COMPANIES INCREASE OUTPUT ABROAD in an effort to hold their share of a growing global market in the face of steadily rising tariff barriers, according to the Wall Street Journal. A handful of U. S. companies have been licensing foreign firms to manufacture certain brands of cigarettes for a number of years, reportedly are being joined by companies which heretofore clung to the belief that popularity of U. S. brands would continue to hold the export market.

COLOMBIANS BUY U.S. LIVESTOCK following a successful visit of a three-man buying team to several Western and Mid-Western states. The purchase consisted of 746 head of breeding sheep and nine head of beef cattle at an estimated value of \$100,000.00.

Mr. Rollo E. Singleton, Secretary of the American Corriedale Association, Inc., coordinator of the tour, states that the team bought outstanding animals of the Suffolk, Hampshire, Romney, Corriedale, and Rambouillet breeds of sheep. The animals were shipped by rail to St. Petersburg, Fla., and via air to Bogota.

This livestock market development project was coordinated by Henry Hopp, U.S. agricultural attache, and the Livestock and Meat Products Division, FAS.

The shipment was the largest since Colombia lifted its ban on livestock imports in 1959.

Members of the Colombian team were Arturo Pradilla, Dr. Ernesto Bernal and Dr. Carlos E. Morales, Director of the Sheep Development Program, Ministry of Agriculture, who headed the group.

20 NEW SUPER MARKETS ARE BEING ADDED IN WEST GERMANY to a family of self-service markets which has been steadily growing during the past few years. Financial backing is becoming more diversified, with funds coming from firms in the U.K., Canada, and the U.S. German department stores are becoming increasingly interested as many install self-service food departments as a regular part of their business.

SALES OF FRENCH CIGARETTES CONTAINING U. S. TOBACCO INCREASE.

Of the 13 main brands of French cigarettes, only four brands managed to increase sales in 1959 over 1958, and, of these four, three are brands that contain U. S. tobacco. The Royale brand, an American blended-type cigarette containing flue-cured and Burley tobacco, increased 19 percent; Gitane, a dark French type cigarette containing some U. S. dark-fired tobacco, increased 6.3 percent; and Boyard, a type similar to Gitane, increased .5 percent.

FAS, the U. S. Tobacco Cooperators, and the French Tobacco Monopoly are jointly financing advertising campaigns to promote the sale of Royales and Gitanes. These campaigns, being carried out through the press, radio, theater screens, posters, and advertising novelties, have been successful in increasing the sale of these two brands in the face of 4.8 percent decrease in the total 1959 sale of cigarettes in France which followed a sharp advance in their retail prices as of January 1, 1959. The current advertising program is slated to continue at approximately the same level through December 1961.

RESEARCH POINTS WAY TO IMPROVEMENT OF COTTON BALES FOR EXPORT.

Deficiencies in packaging and surface condition of bales of U. S. cotton in export markets can be greatly reduced, according to a recent USDA research report, by a few simple practices: (1) better covering of bale heads, (2) use of closeweave wrapping material, (3) patches on both sides of those bales sampled three or more times before high compression, (4) use of more care in preventing contamination of bale surfaces, and (5) efforts to improve sampling of U. S. cotton in foreign ports.

The report is a preliminary presentation of major findings in an extensive study of the subject by two USDA agencies--FAS and AMS--with the cooperation of the National Cotton Council of America and its foreign counterpart, the Cotton Council International.

Copies of the report, "The American Cotton Bale Package and Our Foreign Markets," are being sent to all agricultural attaches.

GUIDE TO COMMERCIAL SALES will reach its first birthday as a weekly service to agricultural attaches and officers by the time you read this. During the past year several requests have come in from the field, asking for additional copies for distribution to individuals and organizations interested in importing and distributing U. S. agricultural commodities. Unlike Spotlight, which is for internal distribution, Guide to Commercial Sales can be used wherever deemed useful in promotional work.

Attaches and Officers are urged to take advantage of the price service wherever possible. Requests for additional copies should be sent to: Editor, Spotlight on Foreign Marketing, FAS/Washington.

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CCC MONTHLY SALES LIST FOR JULY 1960: Nonfat dry milk, cotton (upland and extra long staple), peanuts, wheat, rice (rough, broken, and milled), corn, oats, barley, rye, grain sorghums, soybeans, dry edible beans, and tung oil.

Principal changes in the list for July are dropping farmers stock peanuts from the sales list and shifting to 1960-crop price-support rates in setting minimum domestic sales prices for wheat, oats, barley, rye, and grain sorghums. Wheat sales price examples are based on the 1960-crop minimum support rates announced last summer. Any revision of 1960-crop wheat crop rates as of July 1 will be reflected automatically in minimum domestic sales prices.

All commodities (except oats) currently offered for sale by CCC, plus tobacco from CCC loan stocks, are eligible for export sale under the CCC Export Credit Sales Program. The following commodities are currently eligible for barter: Nonfat dry milk, cotton, tobacco, rice (milled), wheat, corn, barley, rye, and grain sorghums. This list is subject to change from time to time.

Interest rates per annum under the CCC Export Credit Sales Program for July 1960 are 4-1/2 percent for periods up to six months, 5 percent for periods from over six and up to 18 months, and 5-1/2 percent for periods from over 18 months up to a maximum of 36 months.

PRIOR TO RECENT POLITICAL UPHEAVALS IN THE CONGO, the market for U.S. flour and a few other products was gaining, according to "Steve" Stephanides, our agricultural officer in Leopoldville. He reported that one importing firm sent posters it used to advertise certain brands to the milling company in Texas. The company, in turn, duplicated the art on the flour sacks it sent to the Congo. At the time the riots began, thousands of sacks of flour bearing the label were being sold.

"Steve's" determination to stick to his job of representing the Department, and continuing his efforts to sell our farm products under such trying conditions, should be an inspiration to us all.

JAPANESE MEAT SHORTAGE MAY ENCOURAGE IMPORTS. Japanese officials have indicated that pork import allocations may be increased due to a relative shortage of meat and high prices in Japanese cities, according to press accounts. An emergency import allocation of about 13 million tons is being considered. Although some beef may be included, the bulk of this allocation is expected to be pork. During 1959 Japan imported about 15 million pounds of meat of which only 2 million pounds was pork. Although most of the new imports are expected to come from Canada, where the Canadian government holds large stocks accumulated during last year's price support program, this might offer an export opportunity to U. S. shippers.

GUATEMALA IS BUYING ONLY U. S. WHEAT as the result of joint market development activities of FAS and the Great Plains Market Development Association.

COTTON FOR "MY FAIR LADY." When the cast of this famous musical comedy arrived in Washington, following a successful run in Russia, one newspaper reporter noted that the female members of the cast were all wearing cotton dresses. This is another indication of the effectiveness of carefully-planned public relations and sales promotion techniques which are making the world more "cotton minded."

BOMBAYMAN'S DAIRY

(Evening News of India, May 10, 1960, by Mr. V.A. Karenkaffe)

"He set fire to cotton fabric. It did not burn. He then poured water over a piece of cotton gauze stretched across an embroidery frame. The water stayed in a pool on the top and did not seep through. He repeated the process on a piece of "poplin." The water-covered portions were not even wet.

"Mr. T. L. W. Bailey, eminent cotton technologist attached to the U. S. Department of Agriculture, gave an impromptu demonstration of the qualities of the 100 percent cotton fabrics devised in the States with chemical processes after painstaking research, when I called on him the other day.

"He told me he was visiting all countries that imported American cotton to explain to them the technological advances made in the U. S. The aim of his visit to Asian countries as the 'world-wide roving cotton ambassador of the U. S.' was to have a mutual exchange of information on the utilisation of cotton with cotton-growers and textile manufacturers.

## ACCENT ON RESEARCH

"In America the accent was on research. The U. S. Department of Agriculture performed a useful service by publicising and making available to all in the cotton industry, including the smallest cotton planters and textile manufacturers, the fruits of this research.

"The result was a fascinating variety of cotton fabrics useful both in industry and the home and which possessed additional qualities and new resistances through chemical processes.

"These cotton fabrics were water-proof, flame-proof, rot-proof, soil-proof, fade-proof, heat-resistant, wrinkle-proof, Mr. Bailey said.

"During his week-long stay in Bombay, Mr. Bailey gave a lecture cum-demonstration of the cotton creations, visited the Bombay Textile Research Association's institute at Worli, and met and had discussions with those connected with the textile industry here.

"As a result of his visit, a local textile manufacturer is planning to produce with American collaboration the flame-proof fabric for saris. For generations, the Indian sari with its loose ends hanging close to the hearth or stove has endangered the life of its wearer. The flame-proof sari will prove a real blessing to Indian women. Though the cloth could catch fire, the flames would automatically be extinguished as soon as it was taken away from the source of fire, Mr. Bailey said.

## WRINKLE-PROOF

"Describing the various qualities of the wonder cotton fabrics, Mr. Bailey said that wrinkle-proof fabrics would just not harbour any wrinkles while crease-recovery fabrics would.

"However, when the crease-recovery creation was washed, all the wrinkles would disappear as also its built-in crease. But no sooner it dried up, its creases would reappear without any need for ironing. The elastic cotton yarn could be utilised for socks, swim suits and other clothing with a decided advantage over synthetic fabrics in that they were absorbent and porous. The soil-proof variety could be utilised for carpets.

"Synthetic fibres did not pose a threat to cotton as besides being non-absorbent and non-porous, they were far over the low-price-range of cotton fabrics. Only rayon offered some competition. Mr. Bailey said.

"Born in South Carolina, Mr. Bailey picked cotton as a boy, studied in an agricultural school and has been through the mill in drawing, testing, harvesting, ginning, spinning, chemical treatments and studying product performances of cotton. He speaks enthusiastically of the "king of fibers" and the "fibre of kings." "You have to knock me on the head to stop talking about cotton," Mr. Bailey said.

"Though his is essentially a roving job he is based in Washington D.C. This is his second visit to India. He has already been to Calcutta and Delhi."

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## NEW COUNCIL TO PUSH FEED GRAIN EXPORTS

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A vigorous new push will be given to exports of U. S. feed grains as a result of the organization in June of the United States Feed Grains Council.

The organization meeting took place in Washington, D. C., home of the Foreign Agricultural Service of the U. S. Department of Agriculture, with which the new Council will work closely in its export promotion operations. The Council will maintain interim headquarters at Amarillo, Texas with permanent headquarters to be set up in Washington later.

Council membership consists of U. S. feed grain associations, private and cooperative grain trade groups, hybrid seed producers, feed and ingredient manufacturers, exporters, and related groups which together support and carry out the feed grain operations of the country.

The new Council feels optimistic about chances of substantially expanding U. S. feed grain exports. World living standards are rising, livestock numbers are increasing, and there is more foreign demand for feed grain. The volume of world feed grain trade has increased substantially during the past five years, with U. S. exports showing by far the greatest gain. Council members believe that with support of their industry and through close operation with the Department of Agriculture, they should be able to make further substantial gains in promoting use of U. S. feed grains among foreign consumers.

Council members at their first meeting elected officers to serve in the year ahead. President of the Council is Walter W. Goepfinger, National Corn Growers Association, Boone, Iowa. Other officers are: R. G. Peeler, Grain Sorghum Producers Association, Amarillo, Texas, first vice president; Nelson Urban, Hybrid Seed Corn Division, American Seed Trade Association, Des Moines, Iowa, second vice president; William Pierce, Cargill, Inc., Minneapolis, Minnesota, secretary; and Fred Maywalk, Farmers Grain and Feed Dealers Cooperative, Des Moines, Iowa, treasurer.

The executive director, D.G. Nelson, will set up interim headquarters at Amarillo, Texas, before moving the office to Washington, D. C. A European representative, Charles Gidney, will have headquarters in Rome, Italy.

The new council is being formed "to coordinate and direct the efforts of feed grain producers and other associated business interests into unified market development in cooperation with the Foreign Agricultural Service."

production of 1959. The exportable supplies from several exporting countries in 1960-61 may be somewhat larger than last year.

Certainly, the growth in trade cannot continue indefinitely at the rate which has prevailed over the past five years. Growth in consumer demand for livestock products will eventually diminish. Meanwhile, domestic production of feedstuffs will continue to grow, and particularly with the help of increased attention from national agricultural policies, may soon succeed in matching the rate of growth in feed requirements. Nevertheless, these developments are some years away. Prospects for the immediate future indicate a continued expansion of world coarse grain trade.

#### Outlook for U.S. Exports

The outlook for U. S. coarse grain exports in fiscal year 1961 appears favorable. The tentative forecast is 12 million metric tons compared with 11.6 million estimated for 1959-60.

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